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President: Mr. Kerim ..... (The former Yugoslav Republic of Macedonia)

The meeting was called to order at 10.05 a.m.

Agenda item 53 (*continued*)

Follow-up to and implementation of the outcome of the International Conference on Financing for Development

(b) High-level dialogue for the implementation of the outcome of the International Conference on Financing for Development

Reports of the Secretary-General (A/62/190 and A/62/217)

Note by the Secretary-General (A/62/271)

Summary by the President of the Economic and Social Council (A/62/76-E/2007/155 and A/62/76/Corr.1-E/2007/155/Corr.1)

The President: I give the floor to His Excellency Mr. James Mulungushi, Permanent Secretary of the Ministry of Finance and National Planning of Zambia.

Mr. Mulungushi (Zambia): Zambia would like to join previous speakers in complimenting you, Sir, for convening this High-level Dialogue as we prepare for the review of the implementation of the Monterey Consensus. We also wish to commend the Secretary-General for his report contained in document A/62/217.

Zambia fully aligns itself with the statements made by the representatives of Pakistan on behalf of the Group of 77 and China, and of Bangladesh on behalf of the least developed countries.

We may recall that the Monterrey Consensus on financing for development offered a lot of hope to the developing world for its integration into the global economy. Indeed, some developing countries have exhibited positive economic growth, though the majority are far from being integrated and will not achieve most of the internationally agreed development goals, including the Millennium Development Goals (MDGs).

Zambia, like many other developing countries, is committed to the implementation of the decisions agreed upon in the Monterrey Consensus and calls upon all the other parties to honour their pledges. In that regard, Zambia has made considerable progress in the implementation of the Monterrey Consensus agreed upon in 2002. Conditions for mobilizing both domestic and external financial resources have been achieved, as evidenced by the improved and sustained macroeconomic environment of the past five years. Real gross domestic product (GDP), which is a key stimulus for expanding fiscal space, has been growing at an average of over 5 per cent over the past five years. On the other hand, inflation has been declining, reaching single digits in 2006 for the first time in 30 years. Interest rates have also enabled increased private sector credit, which grew by 54.7 per cent in 2006. Banks have been diversifying their range of products and branches. Domestic revenues as a percentage of GDP have been stabilized at around 18 per cent. The foreign exchange rate of the kwacha against major currencies has also been stable. That macroeconomic stability has resulted in increased

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foreign direct investment in recent years, especially in the mining sector. In 2006, for example, foreign direct investment was around $400 million.

Furthermore, external sector performance has been good, as evidenced by a sustained increase in exports in the past five years and improvement in gross international reserves. Growth in non-traditional exports over the past five years has been over 25 per cent. Similarly, metal exports in the past five years have increased due to high copper prices on the international market. The external debt overhang has declined significantly and now stands at around $700 million, thereby providing the much-needed fiscal space for the implementation of development programmes. Zambia therefore appreciates the debt relief provided under the Heavily Indebted Poor Countries Debt Initiative and the Multilateral Debt Relief Initiative.

Within the harmonization strategy contained in its fifth national development plan, progress has been made in harmonizing donor practices so as to improve aid effectiveness in line with the Paris Declaration. The Joint Assistance Strategy for Zambia, which defines Zambia's development framework with cooperating partners, has been developed. In addition, a number of cooperating partners have signed a memorandum of understanding on poverty reduction budget support in an effort to reduce transaction costs and improve predictability of external resources.

In order to drive the development process, Zambia has prepared a fully-owned fifth national development plan for the period 2006-2010, the theme of which emphasizes infrastructure development, capacity-building, technological advancement and wealth creation. That also includes investment in health and education.

We are hopeful that, going ahead, the country is poised for further growth. That optimism is premised on continued strong improvements in macroeconomic performance and progress in public expenditure management, in line with the fifth national development plan. Specifically, the focus in the coming years will be on, first, the efficient use of the fiscal space that has been created as a result of debt relief and sustained GDP growth; secondly, improving domestic resource collection; and thirdly, deepening structural reforms, especially those that will increase domestic and foreign investment, facilitate trade and improve productivity. Some of the reforms that Zambia is implementing in that regard are the Public Expenditure Management and Accountability, the Private Sector Development Programme and the Millennium Challenge Account Threshold Programme.

Though Zambia is experiencing growth, there is a downside to this positive story. That is due to the fact that poverty levels remain high and were estimated at 68 per cent in 2004, down from 73 per cent in 1998. Sustained growth is still fragile, since the economy is largely dependent on the mining sector and rain-fed agriculture, coupled with inadequate economic infrastructure. In the social sectors of education and health, critical shortages of teachers, nurses and doctors have adversely affected service delivery. The impact of the HIV/AIDS pandemic also remains a challenge, adding further pressure on health care delivery.

Therefore Zambia like many other developing countries, needs a lot of assistance from the international community and calls for concerted efforts in order for our countries to be integrated into the global economy. The following areas, among others, should be addressed in order to overcome some of the challenges that we face in Zambia: the scaling-up of aid to Africa, in line with the agreed commitments, so that development programmes can be intensified; realigning development assistance with recipient countries' national development strategies; concluding the Doha Round of negotiations, which is expected to deal with the interests and needs of Africa; financing the infrastructure gap in Africa by, among other things, improving the structure of private-public partnerships, including by building capacity in the public sector to deal with such partnerships; increasing the voice and participation of developing countries in the international financial institutions and other institutions at the global level; and financing the negative impacts of climate change in least developed countries, which are highly vulnerable to those effects because of their dependence on rain-fed agriculture.

The President: I call on His Excellency Mr. Gyan Chandra Acharya, Foreign Secretary, Ministry of Foreign Affairs of Nepal.

Mr. Acharya (Nepal): Let me begin by appreciating the comprehensive reports of the Secretary-General on the status of financing for development.

I wish to associate myself with the statement made by the representative of Pakistan on behalf of the Group of 77 and China.

Since the international community has expressed its firm commitment to achieving the Millennium Development Goals (MDGs), financing for development and attaining sustainable development, the development agenda has occupied centre stage at the United Nations. But there have been mixed results in development since those compacts were agreed. While some developing countries have made good progress, many, particularly least developing countries (LDCs), are lagging behind in their development. Their development is severely constrained by the lack of sustainable financing, both domestically and internationally.

With the Monterrey Consensus in 2002, the international community demonstrated its commitment to fulfilling the needs of the developing countries by investing in synergy and ensuring adequate and sustained financial resources for their development. We agree with the report of the Secretary-General that we have made only modest progress and that the implementation of those commitments and pledges is rather slow. We face the challenges of promoting rapid and sustainable growth in many countries. The benefits of development are yet to be distributed fairly.

The delegation of Nepal stresses that the Doha Conference should be utilized as an opportunity to learn from our experiences, take stock of the progress made, seek innovative sources of financing, and accelerate the implementation of commitments so as to ensure the achievement of the MDGs and other internationally agreed development goals.

The LDCs are still in the classical stage of underdevelopment, where they seriously lack capital formation and technological advancement. They find themselves in the vicious trap of a low level of equilibrium. That is further compounded by a low level of productivity and a paucity of physical and technological infrastructure. Together, a large majority of them continue to find themselves at the bottom of the development ladder, despite revolutionary changes in science and technology and the unprecedented level of globalization. The downside of globalization has been more prominent in those countries because of their high level of economic vulnerability. That, we believe, is a fundamental challenge to the global community. We must collectively deal with it in a spirit of partnership.

We are all aware that domestic efforts and domestic financing are crucial to the sustainable development of any country, but we strongly feel that a high and sustained level of external financing will be equally indispensable for getting swiftly out from under the crushing burden of poverty and underdevelopment. We have been made starkly aware by the current realities of the world; the continuation of such a situation is not sustainable and is a threat to international peace and security. We cannot indefinitely have islands of abundance and opulence in a sea of deprivation and marginalization.

Innovative ways and mechanisms must be explored and broadened to bolster development collaboration. My delegation stresses the need for an inclusive and equitable international economic and development framework that is responsive to the needs and concerns of the larger section of the international community.

As we are halfway towards achieving the MDGs, it has become clear that many targets will be difficult to meet, especially in the least developed countries. While securing the gains that we have made in some areas, we need coherent and focused attention on effectively mobilizing domestic and international resources for strengthening our capacity to achieve those goals, in which we lag behind.

It is a matter of concern that the unsustainable debt burden has had a negative impact on sustained growth in many poor countries. Finding a durable solution to debt problems and increasing additional resources for development should be the priorities of the international community. We are alarmed at the reduction in real terms of total development assistance, which was highlighted yesterday by the representatives of the World Bank, the International Monetary Fund and the United Nations Conference on Trade and Development, as well as by many delegations. When we talk about financing for development, we need to focus on scaling up development aid. Predictability and accessibility, moreover, are the keys to development.

We call for the full implementation of the Brussels Programme of Action for the LDCs. While we thank those development partners that have met the targets, we urge the developed countries to make real contributions by meeting the official development

assistance target of 0.2 per cent of gross national income to the LDCs.

Similarly, we need a holistic approach to deal with the myriad problems faced by the LDCs. When we all agree that trade could be an engine of growth, we must ensure the development dimension of the Doha Round of talks by enhancing the level of effective market access for their products, the removal of barriers to trade, productive capacity-development through the effective operationalization of the Aid for Trade Initiative, and the augmentation and swift disbursement of resources for the Integrated Framework programme of support for the LDCs. Without concerted efforts to mitigate the impact of global liberalization, there is a clear danger of mass unemployment and de-industrialization, especially in the least developed countries.

We hardly need to emphasize the role of international financial institutions, particularly the Bretton Woods institutions, in financing for development. Those institutions should develop coherent, consistent and concerted efforts to support the implementation of national development strategies, with the meaningful participation of developing and the least developed countries in the decision-making process of development cooperation.

In conclusion, sustainable financing for development is attainable if we act in concert and with seriousness and sincerity. Today's world has an abundance of resources, technology and knowledge that can easily meet the development needs of all countries. It is only a matter of synchronizing the requirements and availability. There is a need for a comprehensive and consolidated approach. Investment in the development of the world's poorest countries should be viewed as an investment in the long-term peace and security of the entire world. We look forward to a meaningful outcome of the Doha Conference in achieving a comprehensive and concerted strategy, together with a mechanism to review the commitment to the financing for development.

The President: I give the floor to His Excellency Mr. Axel Poniatowski, Chairman of the National Assembly Foreign Affairs Committee of France.

Mr. Poniatowski (France) (*spoke in French*): It is a great honour for me to have the opportunity to convey the French authorities' conviction of the importance of the High-level Dialogue on Financing for Development.

As the representative of Portugal stressed, speaking on behalf of the European Union, the Monterrey Consensus is the foundation of the global partnership for development. Its principal characteristics are a balance between reciprocal commitments, openness to all parties, and a willingness to go beyond divisions through a shared political resolve.

For some years now, globalization has been of concern to the developed countries and has forced them to question themselves. It has also raised hundreds of millions of the poorest people out of poverty and promoted an exceptional period of growth. At the same time, it has revealed certain imbalances and dysfunction, of which the tensions on the financial markets are a recent illustration. Moreover, many developing countries, particularly in Africa, have the reasonable sense of being subjected to globalization and excluded from its benefits. We must therefore respond to their concerns.

The long road to the achievement of the Millennium Development Goals justifies an unprecedented effort to honour the commitments we made at the major international conferences. That is why France is ready to support ail initiatives that will enhance the mobilization of the international community on behalf of those goals.

It is also up to us to keep our word. The States members of the European Union have demonstrated their resolve to make every effort to devote 0.7 per cent of their gross national income by 2015 to official development assistance. President Nicolas Sarkozy has committed himself, and France will therefore keep its promises. As with the launching of the International Drug Purchase Facility here in 2006, France will continue to campaign for innovative financing for development, which is an indispensable complement to official assistance and reflects a new form of international solidarity epitomized by the contribution on airline tickets, which some 30 countries have pledged to introduce.

We must now keep to our commitments. Accordingly, we hope that the Doha Conference will encourage the emergence of a consensus and lead to new progress towards the mechanisms that the

international community needs to meet the major challenges of health and climate.

Development is not just a matter of financing. It partakes of a shared responsibility requiring universal resolve in the context of a global partnership based on solidarity. Accordingly, it is up to the developing countries to act to end the infernal cycle of violence and ensure peace; to fight against the arbitrary, the frightening trafficking of drugs and corruption; and to create the conditions in which the energies of the private sector will be released. Likewise, the North-South partnership requires the link between migration and development to be taken into account based on an approach of common interests in which co-development has a place. Many countries have begun bold reforms in all those areas. I should like, on France's behalf, to pay tribute to them and to emphasize that their choices are all the more justified in that they respond first to the profound aspirations of their peoples.

Furthermore, the quality and effectiveness of assistance must become a reflex worthy of the goals of development. The Paris Declaration has no other objective than to translate into action the national appropriation of that idea, without which it is impossible to set the virtuous circle of development in motion. It is important that all donors, including the actors involved in South-South cooperation, apply its discipline.

It is naturally up to the United Nations to do its share of the effort. Almost a year ago, the High-level Panel on United Nations System-wide Coherence presented a series of proposals to enhance the effectiveness of the Organization's operational activities. Eight countries decided, in complete sovereignty, to experiment with the "united in action" concept, the main objective of which is to restore to the recipients of aid the power to decide their own priorities and to define with them the contribution expected from the United Nations system.

The success of that reform, which is in the interest of countries that depend on international aid for their development, is a test of the United Nations credibility. With the leadership of the Secretary-General and the mobilization of the entire system, it is our responsibility to provide intergovernmental support for common-sense measures.

The developing countries feel especially excluded from the benefits of globalization because their ability to make their voices heard in international bodies is inadequate. Accordingly, France resolutely supports indispensable reforms at the Bretton Woods institutions to make them more effective, better integrate them into collective international action, and have them take account of the legitimate aspirations of countries desiring to assume their responsibilities and duties. The new Director General of the International Monetary Fund will shortly be taking up the new duties that have been conferred on him in the wake of his message on reforms.

Lastly, France, through its President Nicolas Sarkozy, recently proposed that the G-8 continue its gradual transformation and ultimately evolve into a G13 so that closer cooperation can be implemented between the major emerging countries and the most industrialized. In that regard, the process of dialogue launched by Germany at Heiligendamm, which will deal specifically with development assistance, will be an important step.

It is clear that the task before us all is immense. The importance of what is at stake — the promotion of a more equitable international order with greater solidarity — justifies a high degree of ambition. The Monterrey Consensus remains as relevant as ever. It is up to us to see to it that the Doha Conference builds momentum for achieving the objectives that we collectively set and that are still current today.

The President: I give the floor to His Excellency The Honourable Mr. Loh Seng Kok, Member of the Parliament of Malaysia.

Mr. Loh (Malaysia): I would first like to thank you, Sir, for convening this meeting. I would also like to thank the Permanent Representatives of Egypt and Norway for their excellent work as the co-facilitators of this process and the Secretary-General for his reports. I would also at this stage like to associate myself with the statement made by the representative of Pakistan on behalf of the G77 and China.

This Dialogue is a valuable opportunity for us not only to take stock of the present situation relating to financing for development, but also to find ways to generate momentum on the subject as we approach the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in Doha next year. In that

connection, the theme for this High-level Dialogue — "The Monterrey Consensus: status of implementation and tasks ahead" — is both timely and appropriate.

The Secretary-General's report clearly indicates that progress is slow in most, if not all areas of the Monterrey Consensus. But progress is slowest in perhaps the most important area of them all, the provision of official development assistance (ODA).

The worth of each civilization is measured by how it treats its weakest and most vulnerable members. In the present context, we must be measured by our actions to help those in the poorest countries. In practical terms, this means the level of financial assistance given. Using this measure, it is clear that we have failed the test of civilized behaviour, particularly when we compare the resources that we possess with what is required to lift the poor out of their plight.

If we are indeed to be thankful for small mercies, we should be gratified that compared with 2002, when ODA levels stood at 0.2 per cent, the figure rose to 0.33 per cent in 2005, when it stood at $106.5 billion. Unfortunately, however, we now know that much of the increase is accounted for by debt relief and technical and emergency assistance. Compounding the issue is the fact that the figure dropped to 0.3 per cent last year.

There is a need to put the whole issue of the quantum of ODA in perspective. I would therefore like to juxtapose the $106.5 billion given as ODA in 2005 with other figures, by way of comparison. First of all, the Millennium Project estimates that at least $150 billion is required annually if the Millennium Development Goals (MDGs) are to be achieved. As matters stand, it is unlikely that the MDGs will be realized, due in part to lack of financing. Secondly, in 2005, the net outward financial flows from the developing to the developed world totalled $533 billion. Thirdly, total global military spending during that year stood at $1.118 trillion, or 2.5 per cent of global gross domestic product — or $173 for each inhabitant of the world. The United States alone accounted for 48 per cent of military spending.

More important, discussions should not be confined to ODA alone. It is important to recall that the Monterrey Consensus embraced six areas in all, which included all of the issues related to financing and its relationship to development. Malaysia believes that the 2008 Review Conference must fundamentally assess and recommend measures related to the following issues. First of all, we need to understand the reasons for the non-implementation of the goals of the Monterrey Consensus, particularly in fulfilling ODA targets. We believe that the establishment of a monitoring mechanism to assess the level of ODA provided by the developed world will give impetus to these efforts. We note that this issue has been raised by the Group of 77 before and has failed to find consensus. However, given the urgency of the situation, we believe that further discussions on this are warranted. In essence, what is required is for these issues, which are currently being discussed in the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), to now also be taken up in the United Nations, perhaps by the Annual Ministerial Review or the Development Cooperation Forum of the Economic and Social Council.

Secondly, the increasingly complex interlinkage between finance and various new and emerging aspects of development must be examined. For example, if climate change is to be one of the main factors impacting development efforts in the future, it is essential that the Review Conference devote its attention to some of the key issues of this subject. One could usefully discuss international assistance to address not only adaptation issues, but also climate-related reconstruction and rehabilitation efforts.

Finally, in terms of new and innovative sources of financing for development, there is a need to evaluate various initiatives that have been launched during the past few years, and to use them as a basis for newer ones.

Having said this, it is essential to note, that given the wealth it possesses, the burden of responsibility for strengthening international efforts at financing for development must fall on the developed world. It must not be passed on to the so-called emerging donor nations — which is itself a vague and ambiguous term. In this connection, we believe that to the extent that the term is used, it should be confined to the non-DAC members of the OECD only.

That being said, Malaysia has not shied — and will not shy — away from our responsibilities to assist other developing countries. Within the context of South-South cooperation, our Malaysian Technical Cooperation Programme is a vehicle for sharing our

development experience, especially that gathered in specific areas in which we have strengths and experience. To date, 137 countries are beneficiaries of the Programme, compared to 46 in 1991. This demonstrates increased demand from Programme countries as well as Malaysia's greater willingness to assist.

Mr. Romero-Martínez (Honduras), Vice-President, took the Chair.

In conclusion, I would like to affirm Malaysia's full support for the objectives of the Monterrey Consensus. We therefore commit ourselves to working with the President of the General Assembly and with other delegations in ensuring that the Review Conference is a success. We would define success as having made strides in constructing an international financial structure that works for, not against, the developmental aspirations of the poorest.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Santosh Bagrobia, Member of Parliament, of India.

Mr. Bagrobia (India): We welcome this opportunity to participate in the High-level Dialogue of the General Assembly on Financing for Development. This meeting is particularly opportune in the light of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha in 2008.

Effective implementation of the commitments undertaken at Monterrey remains the weakest link, with commitments not being transformed into concrete action. This is particularly true of action with regard to systemic issues, which underpins progress in all other areas of the Monterrey Consensus. Real progress in implementing the Consensus has to involve a fundamental and comprehensive reform of the international financial and monetary architecture in order to address its democratic deficit, enhancing the voice and participation of developing countries in decision-making and norm-setting. Only then can we ensure a more conducive environment for addressing the challenges of financing for development. While a few steps have been taken, much more remains to be done.

Ensuring enhanced and predictable financial resource flows for developing countries in order to assist them in pursuing their development agenda is at the core of the Monterrey Consensus. Unfortunately, progress towards this basic objective has been limited. There is a clear recognition of the huge gap that exists between the resources required by developing countries to achieve internationally agreed development goals, including the Millennium Development Goals (MDGs), and the projected resource flows. This is compounded by the fact that actual resources flows are far less than commitments undertaken.

A case in point is official development assistance (ODA). While there has been an increase in private flows to some developing countries, the importance of and need for ODA cannot be overemphasized. Private sector inflows do not effectively reach social sectors or architecture projects and cannot eliminate the need for ODA or for the involvement of public sector investment. The impact of private flows on employment generation, which is recognized as an indispensable element of domestic resource mobilization, has also been marginal in many cases.

The Monterrey Consensus explicitly recognizes the role of the State, and of public investment, in socio-economic development. Last year's drop in ODA and projections of negative trends in future ODA flows are therefore matters of grave concern. It is estimated that ODA will taper off in 2007, and will not exceed 0.36 per cent by 2010. We believe that there is a need for a more robust and efficient monitoring mechanism to track ODA flows and the implementation of Goal 8 of the Millennium Development Goals.

The continuing and increasing flow of financial resources from developing countries to developed countries is another concern that we have been unable to address collectively. Furthermore, counting as aid debt relief that does not lead to freeing up resources for development on account of debt arrears is another flaw in the current system. We hope that the Development Cooperation Forum of the strengthened Economic and Social Council will take the lead in examining these important issues, including by undertaking a periodic review of the policies of the Bretton Woods institutions.

Enhancing trade is a crucial component in ensuring the sustainability of development. Developing countries still face severe market access restrictions. We reiterate the need for early and substantive progress at the Doha Round of trade negotiations, based on the primacy of the development dimension. It is illogical to

link the interests of subsistence farmers in developing countries with subsidized and trade-distorting agricultural practices in many developed countries, or with the issue of non-agricultural market access.

The overarching principles of less than full reciprocity and special and differential treatment remain categorical imperatives. In terms of putting these into practice, I am happy to reiterate that by the end of 2007, imports from least developed countries into India will face a zero-tariff regime.

Reforms of the international financial architecture should encompass trade financing, so that export-credit agencies and multilateral development banks act in a counter-cyclical manner. We also need both to stimulate new and innovative sources of financing and to ensure that they do not weaken the resolve of developed countries to meet their ODA targets and do not crowd out other forms of financing.

Despite the progress made by a few countries, the issue of external debt continues to pose significant challenges to developing countries, in particular to low-income and least developed countries. Hopes for releasing additional resources for development through debt cancellation have been realized only marginally, as many countries have debt arrears. The pace of debt relief initiatives has also been very slow, and the impact of past debt-constrained structural adjustment policies has not been overcome.

Moreover, debt relief measures have not holistically addressed underlying problems — covering the range of issues from the need for greater policy space towards inclusive economic growth, better terms of trade and greater access to markets and investment flows. We believe that new measures for debt restructuring and mechanisms such as an international debt commission overseen by the United Nations through the Economic and Social Council are required urgently to address the issue of the external debt of developing countries.

In conclusion, I would like to reiterate the importance of the effective implementation of the Monterrey Consensus. We hope that the 2008 Review Conference will focus on strengthening implementation and follow-up.

The Acting President (*spoke in Spanish*): I now give the floor to Mr. Jean-Marie Ehouzou, chairman of the delegation of Benin.

Mr. Ehouzou (Benin) (*spoke in French*): I have the honour to speak on behalf of the Group of African States.

The International Conference on Financing for Development, held at Monterrey in March 2002, resulted in the adoption of the Monterrey Consensus. The Consensus called for the mobilization of resources to finance and support the achievement of internationally agreed development goals, including the Millennium Development Goals (MDGs). It also called for the establishment of the necessary conditions to attract and sustain foreign investment and to produce greater trade liberalization, an easing of the debt burden and good governance at all levels.

The Monterrey Consensus identified steps to be taken to mobilize financial resources at the national and international levels, to use international trade as an engine of development, to strengthen international financial and technical cooperation for development, to reduce external debt and to rectify systemic problems in the international financial and economic architecture by strengthening the coherence of the international monetary, financial and trading systems in support of development and by promoting the equal representation of developing countries in the international decision-making process.

The Group of African States is pleased that we are meeting in plenary meeting of the General Assembly at such a high level for the third time in five years to discuss the issue of financing for development. Our debate is timely, as we are currently preparing for the international review of the implementation of the Monterrey Consensus, which is to take place in 2008 at Doha, Qatar. As we have said on many occasions, Africa has acknowledged the need to assume primary responsibility for finding solutions to its development challenges. Africa took practical steps in that regard when it adopted the New Partnership for Africa's Development (NEPAD) as the main framework to pursue sustainable development. We should strengthen it and provide it with substance. Nevertheless, we should also stress that sound domestic policies in Africa must enjoy adequate support from the international community.

African countries believe that the usual way of doing things has to date not been able to help them meet all their needs or to address their priorities in the areas of trade and development. Urgent steps should

therefore be taken to fill in those gaps — through financial measures and by developing and strengthening institutional and human capacities. With regard to countries emerging from conflict with little structural absorptive capacity, priority should be given to capacity-building.

It is important to ensure that the aid flows destined for African countries are sufficient, reliable and predictable and capable of stimulating the financing of investment programmes, particularly in the area of infrastructure. The provision of aid should be channelled through mechanisms that are flexible and adaptable to the specific situation of each country. Moreover, it is our view that aid can be made more effective by better aligning aid programmes with the development priorities of the recipient countries and by more closely harmonizing the policies and practices of development partners, since this can result in lower transaction costs and make ODA more effective.

Developed countries must therefore live up to their pledges; those countries that have yet to achieve the long-standing target of 0.7 per cent of their gross national income as official development assistance, with 0.15 to 0.2 per cent allocated to the least developed countries, must fulfil their commitments in order to maintain their credibility.

For their part, the developing countries receiving assistance must continue their efforts to establish an effective, fair and stable institutional framework, in order to strengthen the rule of law and to promote all internationally recognized human rights. Good governance means favouring a properly functioning, transparent government, accountable to its people and permitting the poorest, notably through promoting social integration, to increase their participation in political life and processes.

Africa needs genuine partnership in order to overcome its numerous challenges and problems. Among other measures, it needs international market access for its products and investments that generate resources in order to be able to meet the Millennium Development Goals.

For the international community to make globalization work for Africa and for trade to truly serve as the engine for economic growth, it is important and urgent that it works towards a multilateral, rule-based, open, non-discriminatory and equitable trading system. In this regard, the negotiations on the Doha Development Agenda should conclude with outcomes that facilitate development and allow for the elimination of unfair trade subsidies given by developed countries to their producers, particularly in agriculture.

In addition, African countries' efforts at restructuring, diversifying and strengthening the competitiveness of their commodity sectors, including through local processing, should be supported, in particular by enhanced market access on a secure and predictable basis, adequate technical and financial assistance and the strengthening of institutional capacities.

With regard to the thorny issue of debt repayment, African countries have insistently and repeatedly called for a 100 per cent cancellation of their debts and for the adoption of a negotiated framework that mitigates risks and prevents the recurrence of serious fiscal and financial crises due to heavy indebtedness.

Finally, African countries are concerned over the lack of concrete results in the discussions on improving the governance and coherence of international monetary, financial and commercial systems, as well as on increasing the participation of developing countries in the international discussions and decision-making processes, especially within the World Bank and the International Monetary Fund. We truly hope to be heard on these points because the appeals put forth yesterday by these two institutions deeply affected us.

The African Group takes this opportunity again to remind all parties of the need to abide by commitments undertaken and to do so in a spirit of partnership, responsibility and mutual interdependence.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. John McNee, chairman of the delegation of Canada.

Mr. McNee (Canada): I have the honour to speak today on behalf of Australia, New Zealand and Canada to express our support for the ongoing dialogue on financing for development. I would also like to make it clear that an election has been called in Australia and the Government there is currently operating under caretaker provisions. This debate will provide us all with a welcome opportunity to share ideas on how countries can take advantage of all sources of financing

in order to meet their development objectives and reach the Millennium Development Goals (MDGs).

Recent efforts by many Member States, including Canada, Australia and New Zealand, have galvanized international efforts towards meeting the MDGs. Development, though, as we all know, is a long and difficult path. It is only in partnership with all stakeholders that the international community will have a success story to tell. We are committed to supporting this effort and reiterate our support of the MDG declaration and its goals.

Five years ago, the international community came together in Monterrey and agreed to a set of principles to assist countries' development efforts. Those principles, embodied by the Monterrey Consensus, are an explicit recognition that aid alone is insufficient to meet internationally agreed development goals. Progress towards meeting these goals requires an integrated approach that mobilizes all sources of financing, including trade liberalization, official development assistance (ODA), debt relief, foreign direct investment, remittances and domestic financing.

Since Monterrey, we have also joined other complementary efforts to examine approaches for improving the coherence of overall aid effectiveness, including through our endorsement of the Paris Declaration on Aid Effectiveness. We look forward to a full discussion of these and other issues during today's stakeholder round tables.

An enabling domestic environment is also crucial for mobilizing financing for development. Such an enabling environment should be able to attract, retain and effectively use all sources of financing, including taxes, investment, trade, ODA and remittances. Moreover, good governance and concrete efforts to reduce corruption are required to ensure that scarce financial resources are used effectively and appropriately to fight hunger, poverty and disease.

Trade liberalization is an important driver for development. We stress the need for achieving an ambitious, balanced and comprehensive agreement on the Doha Development Agenda, which would enhance global trade significantly, especially among and between developed and developing countries and, at the same time, reinforce multilateral trade rules. Canada, Australia and New Zealand remain fully committed to the development dimension of the Doha Development Agenda, promoting progressive trade liberalization, helping developing countries integrate better into the multilateral trading system and providing support to the poorest countries. This will enable them to benefit from the significant opportunities offered by globalization. We also continue to support special and differential treatment for developing countries, and place strong emphasis on the role of trade-related technical assistance and capacity-building to address the needs of developing countries.

In the past, unsustainable debt burdens have constrained the ability of countries to allocate sufficient resources to their development objectives. Efforts by the international community, including financial institutions, have assisted the most heavily indebted poor countries to escape from that burden. We must work together to ensure that countries benefiting from debt relief are able to avoid the trap of unmanageable debt burdens. It is also important that lending frameworks of financial institutions be sound and that the fiscal and debt-management capacity of developing countries continue to be improved. The transparent exchange of information between creditors and improved coordination based on existing mechanisms are also important steps for ensuring long-term debt sustainability, as well as economic and financial stability.

(*spoke in French*)

Since Monterrey, developing countries and donors have also worked together in a spirit of partnership to improve the coherence and effectiveness of development assistance in order to better support national efforts to fight poverty. Such efforts are underpinned by the principles and commitments set out in the Paris Declaration on Aid Effectiveness. The third High-level Forum on Aid Effectiveness, to be held in Accra next year, shortly before the Doha meeting, will be a good opportunity to take stock of our progress, address some outstanding challenges, and enrich the Paris framework as a reference point for improving the effectiveness of development assistance.

The Monterrey Consensus remains a strong, internationally agreed framework for promoting development cooperation and poverty reduction. We see no need to reconsider those principles, as they have served us well. When we meet in Doha in the second half of 2008, the international community should take advantage of the opportunity to share best practices

and lessons learned, identify challenges that have emerged, and consider means by which to overcome them.

If Doha 2008 is to be a success, all relevant stakeholders, including civil society organizations and the private sector, should be encouraged to participate actively in both the preparatory process and in the review Conference itself. In conclusion, the challenges for development are enormous; let us therefore work together to ensure that Doha 2008 produces real results.

The Acting President (*spoke in Spanish*): I call on His Excellency Mr. Eduardo Gálvez, chairman of the delegation of Chile, who will speak on behalf of the Rio Group.

Mr. Gálvez (Chile) (*spoke in Spanish*): At their nineteenth summit, held in Guyana on 2 and 3 March, the heads of State and Government of the Rio Group — comprised of Argentina, Belize, Bolivia, Brazil, Colombia, Costa Rica, Chile, the Dominican Republic, Guyana, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and the Bolivarian Republic of Venezuela — reaffirmed their willingness to continue to promote the coordinated implementation of the series of measures agreed in the Monterrey Consensus on financing for development, including the development of new and innovative sources of financing, taking into account the review process scheduled for 2008 in Doha, Qatar. To that end, they decided to establish a working group to define the position of the Rio Group at that Conference. With that mandate, it was decided that Chile would coordinate the working group, and it is in that capacity that I address the General Assembly.

We welcome the organization of this High-level Dialogue on Financing for Development. This is an extremely important topic for the countries of the Rio Group, which met as a working group in Santiago in September and at United Nations Headquarters in New York last Friday. Those meetings provided a good opportunity for experts and officials of the Rio Group member countries to reflect on the national, international and systemic topics addressed in the Monterrey Consensus with a view to contributing to the work to be done by the international community to ensure the success of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus.

As its first contribution, our Group submits to this General Assembly the following position statement of the Rio Group.

First, the Rio Group is grateful to the President of the General Assembly for convening the High-level Dialogue on Financing for Development within the framework of preparations for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha in the second half of 2008.

Second, the Rio Group hopes that the debates, both in plenary and at the six round tables during this Dialogue, will provide a useful input to guide the continuing preparatory process for the Doha Conference.

Third, the Rio Group believes that the preparatory process for Doha 2008 should be open to participation by all stakeholders directly or indirectly involved in financing for development, including States, international financial institutions, relevant bodies of the United Nations system, and other international regional and subregional agencies, as well as civil society and the private sector.

Fourth, the Group believes that the components of the Monterrey Consensus concerning national, international and systemic development financing issues should be dealt with in the preparatory process, with the possibility of including important new questions. It also stresses the need for the Follow-up International Conference to assess progress made, reaffirm goals and commitments, share best practices and lessons learned, and identify obstacles and constraints encountered, and actions and initiatives to overcome them, as indicated in paragraph 3 of resolution 61/191. The Group hopes that the discussion of the draft resolution on conference arrangements and other substantive aspects will commence as soon as possible so as to allow proper preparation by the various stakeholders.

Fifth, the Rio Group recognizes that each country is responsible for its own economic and social development. In that context, the members of the Group have taken action, adopted policies and implemented national development plans that are geared to the mobilization of our domestic resources and growth-oriented.

Sixth, the Group also recognizes that national development initiatives must be complemented by multilateral support programmes, measures and policies designed to expand our countries' development opportunities, as well as to strengthen international cooperation.

Seventh, in addition, the Rio Group stresses the importance of continued support for middle-income countries, including landlocked developing countries, in their poverty relief efforts. It invites the international community to consider additional, more effective criteria for assistance to middle-income countries and the implementation of new and innovative mechanisms for extending to them the more focused cooperation required to eliminate pressure and consolidate the advances achieved to date.

Eighth, the Group emphasizes that the 2008 Doha Conference should not only recommit to implementation of the Monterrey Consensus, but also review the progress made since 2002. That includes the launching of successful specific initiatives involving innovative financing mechanisms adopted in the region, which are designed not to replace but to complement official development assistance.

Ninth, citing the "spirit of Monterrey" as an example of the willingness of the international community to find avenues for achieving progress together in the quest for development for all, the Group stresses that any other high-level events and international initiatives related to the topic of development and the elimination of poverty should be appropriately coordinated with the preparatory process for the Doha Conference.

Tenth, the Rio Group reaffirms its commitment to strengthening the follow-up to the implementation of the Monterrey Consensus and emphasizes the importance of using all of the institutional mechanisms for effective follow-up to the International Conference on Financing for Development. The Group reiterates its interest in enhanced follow-up and has a flexible attitude towards the possibility of reviewing the effectiveness of existing follow-up mechanisms and towards the study and identification of concrete proposals that may promote this goal. The Group considers that the High-level Dialogues of the General Assembly and the Economic and Social Council, the new Development Cooperation Forum (DCF) and Annual Ministerial Review of the Economic and Social Council, as well as the work of Committee of Experts on International Cooperation in Tax Matters, should contribute not only to the follow-up but also to the establishment and strengthening of associations and international cooperation to guarantee resource mobilization at the national and international levels. Their effective use should promote the achievement of socially inclusive development.

Eleventh, the Rio Group reiterates the importance of enhancing the gender perspective in the follow-up to the International Conference on Financing for Development and on the implementation of the Monterrey Consensus.

Finally, the Group wishes to offer its support and cooperation to the Facilitators designated by the President of the General Assembly for all issues related to the International Conference on Financing for Development, Ambassador Maged Abdelaziz of Egypt and Ambassador Johan Løvald of Norway.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Alejandro Wolff, chairman of the delegation of the United States of America.

Mr. Wolff (United States of America): I am very pleased to represent the United States at this important dialogue today. In his remarks at the International Conference on Financing for Development in March 2002, President Bush spoke clearly about the United States commitment to bring hope and opportunity to the world's poorest people. He called for a new compact for development defined by greater accountability for rich and poor nations alike and pledged to increase our core development assistance by 50 per cent over three years. As we launch a review of the Monterrey Consensus, it is fair to ask if we have delivered on that compact. How can we improve our joint efforts to draw even more developing countries into the expanding global tide of economic growth, democracy and social progress?

Looking back, one important point seems very clear — the power of the ideas in the Consensus document has sparked a wave of reforms and initiatives, both domestic and international, aimed at tapping all the potential resources and sources of financing needed to fuel development. Today, there are serious initiatives under way in all areas of the Monterrey Consensus. Let me list just a few of these.

First, since 2002, dozens of developing countries at all income levels have enacted tough reforms to stabilize their economies, liberalize their trading regimes and improve their business climates, which has unlocked substantial new private sources of financing for development.

Secondly, during the same period, donors have substantially raised the volume of development assistance, from approximately $58 billion in 2002 to $104 billion in 2006. Under President Bush's leadership, the United States has more than doubled our assistance since 2002 to $23.5 billion in 2006, far exceeding our national pledge.

Thirdly, as called for in the Monterrey Consensus, donors are working together to improve the effectiveness of aid under the Paris Declaration process.

Fourthly, the United Nations Economic and Social Council has launched two important new discussion forums, the Annual Ministerial Review and the Development Cooperation Forum.

Finally, debt relief has accelerated greatly since Monterrey. The Multilateral Debt Relief Initiative (MDRI) has already provided nearly $42 billion in debt forgiveness. This amount is in addition to the nearly $45 billion in bilateral debt relief provided to 31 countries under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative.

Five and a half years after 2002, it is very clear that this wave of reforms, initiatives and greater resources has brought significant results. The world as a whole is on track to reach our goal of cutting poverty by half by 2015. Many developing countries have made substantial improvements in their macroeconomic management, and trade liberalization is paying dividends, as merchandise trade continues to grow. Exports from sub-Saharan Africa increased 23 per cent in 2006, faster than the global rate of 16 per cent. Private financial flows to developing countries have also grown substantially since Monterrey, to reach $571 billion in 2006. Annual growth in per capita income in low income countries averaged four per cent in the first five years of the new millennium, before climbing to almost six per cent in 2006.

Despite these successes, our job is far from finished. Some of the world's poorest countries have not kept pace and may not meet our shared commitment to the internationally agreed Millennium Development Goals (MDGs). Many countries have not done enough to foster domestic resource mobilization or attract private capital flows. Donors certainly need to do more to improve the effectiveness of our aid.

Many participants in this forum have referred to the "spirit of Monterrey", the sense of shared commitment and determination that underpinned the success of the International Conference of the Financing for Development. One of the major challenges we jointly face will be finding a way to recapture this spirit, so that the Doha review conference has the best possible chance of success.

Let me close by offering a few suggestions on how, together, we might do this. First, the Monterrey process was strongly grounded in real-world problems and solutions, and relied heavily on expert advice. We should follow this strategy again. As a first step, the Secretariat should generate more detailed data on the hundreds of billions of dollars in capital flows to and from developing countries, both official and private, as well as on their domestic policy mixes.

Secondly, we should focus on how to move forward within the very large areas of consensus in the 2002 Monterrey outcome document, and avoid being distracted by peripheral debates or issues being negotiated in other forums.

Thirdly, we need to devote special attention to how the United Nations system can assist those countries that, for whatever reason, have not been able to take advantage of the promise of Monterrey.

Finally, we should look more closely at the important new challenges and issues that have grown in importance since Monterrey, such as public-private partnerships, the power of the private sector and entrepreneurship, and the special role of microfinance in developing countries.

The United States looks forward to working very closely over the year ahead in the spirit of Monterrey with both our developed and our developing country partners.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Memduh Aslan Akçay, Director General, Foreign Economic Relations, Under secretariat of Treasury of Turkey.

Mr. Akçay (Turkey): My delegation has aligned itself with the statement delivered by the representative of Portugal on behalf of the European Union. That being said, I would like to expound on a few points regarding financing for development.

As is known, we are halfway to the deadline for achieving the MDGs and closing in on the Review Conference on the implementation of the Monterrey Consensus, which will be held in Doha at the end of next year. The Doha Conference will provide a good opportunity to re-evaluate needs and actions in our global response to the challenges of financing for development. I would like to share some of our experiences, implementations and efforts for reaching a fully inclusive and equitable global economic system with the aim of reducing poverty through growth.

Since 2002, there has been tangible progress in fulfilling the commitments set out in the Monterrey Consensus, especially in the fields of creating domestic governance structures conducive to investment, mobilizing foreign direct investment (FDI) and addressing the issues of external debt and official development assistance (ODA). However, we, as the global community, are aware that much remains to be done.

Development aid, debt relief and free trade are generally viewed as essential components of development. However, as experience has taught us, sole reliance on development aid does not bring about sustainable development in the long term. In this respect, in the short term, the efforts of both developed and developing countries should focus on fulfilling aid-related commitments. Keeping the development engine running by making concrete contributions to capacity-building is of the utmost importance. In the long run, consolidating existing efforts towards a more representative system of global economic architecture and creating a more accessible international trade regime will gain significance. Yet, in each of our steps we should pay due respect to mutual accountability and transparency.

We actively participate in international efforts aimed at the eradication of poverty. We consider official development assistance to be one of the main tools in reinforcing the development efforts of developing countries. Turkey itself is a developing country, and the ODA it provides to that end has been steadily increasing over recent years. ODA that we have provided reached $601 million in 2005 and currently stands at $750 million, 0.18 per cent of our gross national product (GNP). It is worthwhile to note that Turkey has become an emerging donor for Africa. Moreover, we exert every effort to contribute to social development in the fields of human rights, children's issues and the promotion of the status of women.

At present, the Turkish International Cooperation and Development Agency is carrying out hundreds of projects in partner countries from Central Asia to the Balkans, from the Middle East to Africa, and from the Asia-Pacific region to Latin America and the Caribbean. With 22 field offices, it contributes to the development of many countries in various regions. These projects have already started to make a positive impact. For this reason, a fund of $15 million was allocated for the implementation of projects through the Turkish International Cooperation and Development Agency in least developed countries, landlocked developing countries and small island developing States.

Let me inform the Assembly about our efforts with regard to international development issues. As a party to the Millennium Declaration, the Monterrey Consensus and the Paris Declaration on Aid Effectiveness, we have been active in concrete policy actions in financing for development. In this vein, it is a great pleasure for me to state that Turkey is now a global provider of significant humanitarian and technical aid. For instance, in 2005 we provided funds and assistance in kind amounting to more than $232 million to 25 countries on various continents. That figure does not include the aid provided by Turkish non-governmental organizations.

The economic outlook of the least developed countries (LDCs) is of special importance in terms of achieving internationally agreed development goals. We have to bear in mind that improving the living conditions of over 600 million people residing in LDCs is a litmus test for making poverty history. In line with this conviction, we appreciate and support the efforts exerted by LDCs and development partners, including international organizations.

As a manifestation of our contribution to global development efforts, especially for the LDCs, we hosted the annual ministerial conference on Making Globalization Work for the Least Developed Countries, from 9 to 11 July 2007. At the conference we pledged

an additional $5 million to finance small and medium-scale regional development projects in the LDCs.

On the other hand, fully cognizant of the fact that international trade is vital for the development of LDCs, we attribute great importance to the development of bilateral commercial relations with those countries. We are willing to provide assistance and to cooperate in the fields of agriculture, health, the environment and good governance. Funnelling Turkish investment to LDCs constitutes another aspect of our policy. Furthermore, we promote the establishment of joint business councils and chambers of commerce.

The United Nations was established to ensure global peace and security. Economic growth and development play a significant role in reaching the lofty goals for which the United Nations stands. Turkey, as a country generating peace, stability and welfare in its region and beyond, is an active supporter of activities of the United Nations in all spheres.

In conclusion, I would like, on behalf of my country, to avail myself of this opportunity to praise the President of the General Assembly, Mr. Srgjan Kerim, and the Secretary-General, Mr. Ban Ki-moon, whose able leadership and wisdom successfully guided members in organizing this event. This event is a significant step in reaching the overarching goal of making poverty history.

The Acting President (*spoke in Spanish*): I now give the floor to Her Excellency Ms. Irene Freudenschuss-Reichl, Director-General of the Department for Development Cooperation of Austria.

Ms. Freudenschuss-Reichl (Austria): At the outset, I should like to support wholeheartedly the statement delivered by the representative of Portugal on behalf of the European Union (EU).

Since the International Conference on Financing for Development, held in Monterrey, Mexico, in 2002, a number of important developments have occurred. I should like to reflect briefly on some of those developments and to draw from them some questions regarding the lead-up to the 2008 Doha Conference.

First, the 2005 World Summit witnessed a commitment by the European Union and its Member States to a significant scaling up of official development assistance (ODA). Austria is fully committed to that scaling up. I am happy to report that we have significantly surpassed the target set for 2006, which was to bring ODA up to at least 0.33 per cent of gross national income. Development Assistance Committee (DAC) figures show that Austria reached 0.51 per cent in 2005 and 0.48 per cent in 2006; we anticipate similar figures for 2007 and 2008. In its programme for the twenty-third legislative period, the Austrian Government strongly reiterated, in January 2007, its commitment to reach 0.51 per cent of ODA by 2010. For 2015, the EU target is 0.7 per cent.

In order to maintain support from our taxpayers for the significant increases that will be required to reach the EU targets, it will be important that other donors scale up their efforts in comparable ways and that we continue to improve aid effectiveness.

The Paris Declaration on Aid Effectiveness, adopted in 2005, which Austria strongly supports, captures the consensus of the donor community and partner countries on how development assistance can become more effectively supportive of partner countries' development plans and strategies, inter alia by promoting direct budget support.

As more donors move to use the modality of direct budget support — and Austria is moving in that direction with due caution and sensitivity as well — it becomes apparent how severely dependent many partner countries' national budgets are on external financing. This, in my view, reduces the scope for national ownership, which we have all recognized as irreplaceable. My second point, therefore, is that more emphasis needs to be placed on strengthening the public finances of partner countries.

Important non-governmental organizations have issued a call to the Assembly to place greater focus on more effective cooperation on tax and fiscal matters. In my view, their advice bears scrutiny.

My third point is that, since Monterrey, the hopes placed in the Doha Development Round have not yet come to fruition. In the context of the Cotonou relationship between the European Union and the group of African, Caribbean and Pacific States, important negotiations are moving towards finalization on Economic Partnership Agreements. Austria has consistently advocated a strong developmental content for these Agreements and is committed to supporting them as tools to promote development.

Fourthly, growing conceptual clarity has emerged since Monterrey on the role of global public goods and

their relationship with development objectives. This issue may well warrant attention at the 2008 Doha Conference on Financing for Development.

My fifth point is about the nexus of development and security, which is increasingly seen as crucial for achieving sustainable gains, both in terms of freedom from fear and freedom from want. The reform summit of 2005 acknowledged the importance of this nexus, inter alia, by establishing the Peacebuilding Commission. The international community is directing considerable financial flows towards a significant number of developing countries by means of complex missions and is increasingly concerned with State fragility and how to prevent it. It can only be beneficial to the international community and the countries concerned to deepen our insights on how to maximize the developmental impact of complex missions by using all the available leverage, be it procurement procedures that stimulate the local economy or other best practices that can be distilled from experience.

My sixth point is that awareness about the importance of drawing on the wisdom, resilience and capacities of women is growing in all areas pertaining to international cooperation. The Monterrey Consensus is not explicit on issues of gender mainstreaming, yet, the ways in which financing is generated and used for development and the opportunities for women to participate in issues of development financing — from access to microcredits to the elaboration of national poverty reduction strategies to the parliamentary oversight of national budgets — may well have a significant impact on the results achieved. Perhaps this, too, is an area where Doha could make progress.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Carlos Jativa, Director-General of the Institute for International Cooperation of Ecuador.

Mr. Jativa (Ecuador) (*spoke in Spanish*): I would like to thank the presidency of the General Assembly and associate myself with the statements made by the representatives of Pakistan and Chile.

The delegation of Ecuador believes that, while there have been several important points of progress in the Monterrey Consensus, there are other commitments that are far from being guaranteed; such is also the case with the Millennium Development Goals (MDGs). In both cases, the availability, quality and use of resources make up one of the main impediments, as can be read from the various reports of the Secretary-General.

In spite of the fact that the worldwide volume of official development assistance (ODA) has increased, reaching its peak in 2005, the proportion of ODA for the Latin American region has decreased. Furthermore, there persists in considering aid flows the expenses linked to assistance to refugees and to the alleviation of the external debt, to which are added expenses which are merely bureaucratic and administrative in nature. ODA has favoured conflict and post-conflict situations and has responded to commercial interests.

In this framework, the middle-income countries have gained special attention, being the subject of two conferences in Madrid and San Salvador this year. This confirms the reality of the situation in a world, where our countries represent more than 47 per cent of the world's population and where 41 per cent of the poor people live on less than $2 a day. In the case of Latin America, poverty subsists at more than 95 per cent in the middle-income countries.

This is why Ecuador has expressed its concern regarding the priority application of macroeconomic criteria, especially the per capita gross domestic product (GDP), which has become an adverse factor for qualification for ODA. This has marginalized other measuring instruments, including human development indices, and it ignores the enormous inequalities that exist within our countries, which are the main barrier to economic development and equality.

That is the reason we have promoted an active policy for development cooperation with middle-income countries, in line with the objectives set out in the Monterrey Consensus, which means new resources and coherent policies at the global level for economic, financial and commercial matters.

Similarly, it is imperative that we abandon rigid ranking criteria and move towards a more flexible strategy, with clear guidance for the more homogeneous groups of developing countries. In this same context, we should look for South-South cooperation, triangular cooperation — making viable the former — and cooperative efforts of our countries with regional integration mechanisms.

After rejecting the mistaken notions of neo-liberalism on the role of the State, Ecuador has recovered its planning as a tool for public management.

We have our National Development Plan, which is a dynamic tool for public harmonization of our system for planning, budgeting and evaluation. The plan has 12 human development objectives, through which we hope to follow the paradigm of well-being.

In order to achieve all this, we advocate a sound, balanced policy, beginning with the National Development Plan, with its strategies, mechanisms and indicators subject to examination by civil society. In finance, the people's revolutionary Government of President Rafael Correa has transformed the allocation of the budget towards the priorities of development, especially in the fields of health, education and social welfare, with public institutions duly reformed and strengthened.

Less than one month ago, we held a historic election of 130 members of our Constituent National Assembly, under the aegis of a transparent process that is fully democratic. Beyond just a new Constitution, the Ecuadorian people seek to redefine the role of the State and its institutions, as well to lay the basis for a truly democratic system, dedicated to good governance, which will in turn have very important consequences for international cooperation.

On this basis, we believe that ODA should be based on five criteria — flexibility in planning matters, predictability in terms of amounts and means of implementation, in accordance with budgeting programmes; support for the essential task of overcoming poverty and inequality; the construction of an association of partners with a focus on shared responsibility; and the appropriation of major resources for development priorities and for strengthening national capacities.

With regard to the necessary and compulsory reform of the international financial institutions, which are still fledgling and limited, a group of South American countries, including Ecuador, have taken the initiative to set up with the next few days the Bank of the South. It will be called upon to support its members in the achievement of development with a human face, as well as to provide financial assistance, under fair and equal conditions, in order to eliminate poverty and achieve results.

Ecuador welcomes the innovative forms of financing for development and takes this opportunity to stress the approach promoted by the President of Ecuador here at this Assembly on 26 September. He brought a specific and original proposal to contribute to reducing carbon dioxide emissions and to environmental protection in one of the most biodiverse areas of the world through a project known as Yasuní-ITT. He announced that Ecuador would be willing to make the tremendous sacrifice of forgoing an annual investment of approximately $720 million from oil extraction in return for the assumption of co-responsibility by the international community, and the developed countries in particular, via minimum compensation for the environmental property being preserved, which is one of the most valuable public properties on the planet.

In our view, that would set an extraordinary example of collective action at the global level. The implementation of the project will not only reduce global warming, to the benefit of all, but also launch a new economic logic for the twenty-first century that compensates the generation of value and not merely commodities.

I conclude by reaffirming that proposal and ask everyone to consider, in the Monterrey spirit, new modalities for international cooperation whereby the meaning of official development assistance would embrace complementarity, co-responsibility and solidarity with the objectives of human development, as well as the concept of foreign assistance based on national priorities defined by its beneficiaries and propelled by the stimulus and mobilizing power of the United Nations.

The Acting President (*spoke in Spanish*): I give the floor to His Excellency Mr. Yukio Takasu, chairman of the delegation of Japan.

Mr. Takasu (Japan): I thank the President of the General Assembly for convening the High-level Dialogue on Financing for Development. This is an extremely important issue for all of us.

In implementing financing for development, it is important to take stock of the progress that has been made in the efforts to achieve development, in particular the implementation of the Millennium Development Goals (MDGs). The most recent report on the MDGs shows that considerable advances are being made towards several targets. Extreme poverty, for instance, is declining in East and South Asia.

However, at the current rate of progress, it would be difficult for sub-Saharan countries to achieve any of

the Goals by 2015. Without solving the challenges facing Africa, the world cannot enjoy stability and prosperity in the twenty-first century, which are the very objectives and imperatives of development itself.

Japan will therefore continue to make African development its highest priority. We will host the fourth Tokyo International Conference on African Development (TICAD IV) next May, together with the United Nations, the United Nations Development Programme and the World Bank. Japan hopes that TICAD IV will further mobilize the knowledge, experience and, above all, resources of the international community for African development, and thus contribute to African countries' efforts to fully advance and meet the MDGs.

Many commitments on development funding have been made since the 2002 Monterrey Conference. What is most important now is to put commitments into action. Japan, despite severe financial constraints, is striving to meet its commitment to increase its official development assistance (ODA) volume by $10 billion in aggregate between 2005 and 2009, and to double its ODA to Africa between 2005 and the end of this year. We are making every effort to honour that commitment.

In order to achieve the MDGs, the amount of resources and funding for development available from public and various areas of the private sector is important. There is no doubt about that, but it is equally important that those resources be utilized effectively for the purpose intended. Resources for development should be used to meet first the urgent human security needs of individuals and communities. Resources should also be used to build the human and institutional capacity necessary for developing countries to exercise ownership of their sustainable development. I cannot overstate the importance of individual and institutional capacity-building for enabling developing countries to maximize the use of the domestic and external resources made available to them.

Capacity development is one of the core pillars of Japan's assistance policy. We believe from our own historical experience that nation-building and national development are, after all, people-building. Japan attaches high importance to transferring the knowledge and skills necessary for national development through vocational training, technical advisory services, other technical cooperation programmes and student exchange.

The Monterrey Consensus calls for the promotion of international trade as an engine for development, as many speakers have emphasized before me. To that end, Japan has extended duty-free and quota-free treatment to the least developed countries and promoted a very interesting programme — the so-called One Village, One Product campaign — which has boosted exports in many developing countries, including Ghana, Thailand and Malawi, to name but a few.

Foreign direct investment is another essential engine for development that brings capital and technology and creates employment. To help developing countries to create a favourable climate for investment, Japan is taking a multi-layered approach that includes capacity and infrastructure development, as well as bilateral investment treaties and economic partnership agreements.

Synergies between various types of private capital and official development assistance are also important, and private enterprises should be encouraged to engage in activities that contribute to the sustainable economic growth of developing countries. There are many good examples in that regard.

The dramatic rise in trade and investment among Southern countries has major implications for development financing. Japan has long advocated and implemented so-called South-South cooperation projects because we believe that this type of partnership enhances ownership of emerging donors and recipient countries alike.

As we approach the midpoint to the 2015 target, developed and developing countries alike should redouble their efforts to achieve the MDGs. Japan will use the valuable opportunity provided by its presidency of the G-8 next year to ensure that the outcomes of TICAD IV are duly reflected in the agenda of next July's Hokkaido Toyako summit meeting. We will continue to work constructively with our development partners, including African countries, to contribute to the achievement of the MDGs and other international development goals.

The Acting President (*spoke in Spanish*): I call on His Excellency Mr. Abdullah Ahmed Mohamed Al-Murad, chairman of the delegation of Kuwait.

Mr. Al-Murad (Kuwait) (*spoke in Arabic*): My country's delegation is pleased to participate in this High-level Dialogue for the implementation of the outcome of the International Conference on Financing for Development. I would like to express our support for the statement delivered by the Minister of Economic Affairs of Pakistan on behalf of the Group of 77 and China.

Five years have elapsed since the convening of the International Conference on Financing for Development in Monterrey, Mexico. However, the follow-up reports of the Secretary-General over the years since the adoption of the Monterrey Consensus have reflected a mixed bag of achievements and failures. Despite his reference to the current situation of the world economy as one that provides an opportunity to take measures based on a long-term view, carry out reforms on the local and international levels, and achieve wide-ranging economic growth, sustainable development and social progress, the challenges and dangers to international peace and security — such as poverty, hunger, the spread of dangerous and infectious diseases, the deterioration of the environment and the vulnerability of the economic systems of numerous developing countries — are still present and threatening.

Not only is it regrettable to see poverty, hunger and disease persist in developing countries; it is also painful to see more than half of the world's population living on under two dollars a day. This situation requires serious consideration and review of the impediments to development in the developing world. Here, the State of Kuwait calls upon the World Trade Organization (WTO) and the Bretton Woods institutions to reduce restrictions on exports of developing countries, to fairly take into account the concerns and circumstances of those countries and to establish an international trading system that is more just and equitable for poor countries, in particular the least developed countries (LDCs).

On the basis of Kuwait's firm belief in human values and international solidarity, since independence we have carried out a generous programme of assistance to developing countries. The Kuwait Fund for Economic Development was established in 1961; since then it has financed hundreds of infrastructure projects in over 100 countries, valued at more than $12 billion, thus more than doubling the internationally agreed percentage of gross national income slated for development assistance.

The State of Kuwait is also committed to providing annual voluntary contributions to numerous international specialized agencies, regional organizations and funds, and has recently appropriated $300 million for the Islamic Development Bank to help eradicate poverty in Africa, in addition to its numerous donations and humanitarian and relief aid to many countries ravaged by natural disasters.

The State of Kuwait attaches great importance to collective, coordinated national, regional and international efforts that would enable us to overcome the problems that impede the achievement of development goals. Many developing countries are far from achieving those goals due to poor infrastructure, a lack of adequate financing, sufficient expertise and modern technology, and exclusion from the full benefits of globalization.

In this connection, developed countries must support the economic structures of developing countries and fulfil their commitments to provide adequate financial and technological assistance and to reach the level of 0.7 per cent of gross national income for official development assistance (ODA). Furthermore, this aid should be provided within the framework of supporting national strategies adopted by developing countries themselves.

We wish to express our appreciation for the serious efforts by some developed nations to reach the internationally agreed level for development assistance; we also value the efforts by many developing countries to apply the concepts of good governance and the rule of law, combat corruption and ensure transparency, in order to establish democracy. All of this can have an immediate and direct impact in terms of achieving security, stability and sustainable development.

My country's delegation appreciates the initiatives of the Group of Eight industrialized countries and of the European Union to forgive the debts of the poorest countries. We hope that continued efforts in that direction will alleviate developing countries' debt burden, with the rescheduling of such debts in accordance with Paris Club decisions and in a way that would preserve the financial strength of international institutions.

In this respect, we reaffirm our support for the recommendation in the Secretary-General's report on follow-up to and implementation of the outcome of the International Conference on Financing for Development (A/61/217), about the need for a paradigm shift to debt restructuring approaches that achieve self-regenerating growth in debt-distressed countries, including the use of grants and the possibility of a 100 per cent debt cancellation. Absent this kind of growth and the release of resources for poverty alleviation, in many countries the debt overhang will continue to be an obstacle to the achievement of the internationally agreed development goals, including the Millennium Development Goals (MDGs).

To that end, the Kuwait Fund for Economic Development has contributed to the alleviation of the external debt of 14 heavily indebted poor countries in Africa. The Fund reduced the debts of those countries by rescheduling them over a period of 40 years with a 16-year grace period, and with interest rate spreads between 0.5 and 2 per cent. These terms are far easier than the original ones. Moreover, the Fund is in the process of reducing the debts of other African countries.

I wish to refer here to the principle of partnership among developing countries themselves and to the role that the Fund for International Development of the Organization of Petroleum Exporting Countries is playing in reducing the external debt of 18 African countries; Kuwait is a participant in that Fund.

The time has come to change the manner and the method by which we deal with the challenges represented by the debt crisis of developing countries and to mobilize financial resources for development by shifting to the phase of action and fulfilling the commitments undertaken at numerous international conferences and in international agreements that we have signed and ratified.

In order for the world to move forward towards achieving the MDGs in the specified time frame, we should take the measures necessary to save the lives of millions of people and improve their standard of living within a few years, in order to reach the desired goals by the year 2015. That would be in tune with the political will that our leaders embodied in the Millennium Summit. It is our hope that success at the first Follow-up International Conference on Financing for Development, scheduled to be held in Doha during the second half of 2008, will provide hope for the achievement of that goal.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Roble Olhaye, chairman of the delegation of Djibouti.

Mr. Olhaye (Djibouti): This occasion affords us the opportunity to assess the agreements reached at the International Conference on Financing for Development held in Monterrey, Mexico, in 2002. At that time, we were able to arrive at what is referred to as the Monterrey Consensus, which had six core areas. In fact, while there were six areas, the number of issues covered was actually quite high and included many topics, events, papers, reports, statistics and so forth. We find ourselves in a situation, therefore, where the welter of details and materials explored often buries us, until we lose our perception of what essential issues we must consider. Have we in fact significantly improved and extended the lives of the world's poor, particularly in Africa? Overall, is the world a better place to live in?

In Monterrey, the developing countries committed themselves to take primary responsibility for their own development, and to institute sound fiscal, economic and social policies. So far, the achievements in those key areas have been positive, although we have to acknowledge the endemic nature of poverty, particularly in Africa. More needs to be done to increase social expenditure, to enhance infrastructure development, to encourage more private capital flows, to reduce obstacles to international trade, to complete the Doha Round negotiations and to forge an open, non-discriminatory and equitable multilateral trading system.

It is comforting to hear Mr. Robert Zoellick, the new President of the World Bank, assert that developing countries, particularly African nations, need assistance to build infrastructure for higher growth, especially energy and physical facilities. According to Mr. Zoellick, greater investments in agriculture, irrigation and rural microcredit and policies that strengthen market opportunities are areas upon which to focus.

Through the Outcome Document of the 2005 World Summit, and subsequently at the meetings of the Group of Eight (G-8) in Gleneagles in 2006 and in Heiligendamm in 2007, G-8 leaders not only reaffirmed the implementation of Monterrey

Consensus, but also agreed to increase development assistance toward achieving the Millennium Development Goals (MDGs).

In this regard, it is important to realize that we need fewer conferences, summits, round tables and relentless evaluation exercises. Instead, we require perhaps, a greater acceleration of aid delivery. In short, we lack the translation of promises into practical, timely and adequate dispensation of resources. Again, our expectation is that the review conference on the implementation of the Monterrey Consensus in Doha next year will mark a turning point in demonstrating the necessary political will toward enhancing global trust.

The report of the Secretary-General prepared for this meeting (A/62/217) accepts that public investment has a critical role in development. It notes the concern over the extended period characterized by insufficient public investment in infrastructure, for example, brought on by an overemphasis on fiscal balance and price stability. For many this has reduced midterm growth prospects. Here again this report states that,

> "The original confidence that the private sector would substitute totally for the public sector in infrastructure has proved to be grossly misplaced. ... The pubic sector and multilateral development banks need to remain active in financing projects at times when and in places where private investors are unable to earn sufficiently high returns and in low-income countries where the supply of private financing is low..." (*A/62/217, para. 23-24*).

Certainly this is an apt description of most of Africa. The effort to impose private enterprise and capital on places and undertakings where such funds or opportunities do not exist faces many difficulties.

We agree, of course, with the report's conclusion that there is an urgent need to increase the overall volume of aid flows net of debt relief, technical assistance and emergency relief to meet internationally agreed development objectives. The issue of concentration of aid flows, such that many poor, low-income countries receive very little aid and some experience surges in aid flows, also needs to be corrected.

The Secretary-General's report also explores the Monterrey Consensus call for modernizing the governance of global finance institutions. My Government is encouraged that various proposals and initiatives are now under consideration by the boards of the World Bank and the International Monetary Fund (IMF), all seeking to strengthen the participation and increase the voting power of developing countries in the process of decision-making and norm setting, in order to create a harmonious global, economic and financial climate.

We therefore welcome the report's support for current efforts to reform voice and participation in these institutions, which would enhance their effectiveness and relevance to users of their resources. This is best stated by the report:

> "The international community should close ranks and make substantial progress towards governance reform in IMF and the World Bank in the next two years. At a minimum, the final outcome of the voting reallocations should result in a significant increase in the voting power of developing countries as a group" (*Ibid., para. 115*).

The Monterrey Consensus and subsequent forums urged the developed countries to make concrete efforts towards achieving the agreed 0.7 per cent aid target to developing countries, in order for these countries to have greater ability to reduce poverty and inequality, increase growth, build capacity and accelerate progress towards achieving the MDGs.

In particular, as we have acknowledged in many instances, the least developed countries, as the most underprivileged, require special attention to enable them to integrate into the world economy. Otherwise they face marginalization and, for some, possible disintegration.

Finally, these days not all resource flows for investment or development are from the developed countries. Here, we need to acknowledge that many countries carrying the label "emerging nations" are today, thanks to favourable market conditions, flush with cash and have, according to informed sources, established what is known as sovereign wealth funds totalling more than $3 trillion that dwarf the aid budgets of the World Bank, IMF and Western nations.

Some of these nations, particularly some Arab Gulf States, have poured investments into developing countries ranging from Djibouti, to Senegal, to South Africa and to Rwanda and the Comoros to the

tune of billions of dollars. Many countries, including my own, acknowledge such investments, and, in my country in particular, more than $1 billion are in the pipeline, thus helping us towards the realization of our dream to become a regional hub, not to mention the fact of the positive impact such investments will have in the attainment of the MDGs.

These new sources of direct investments need our encouragement, and we should be careful not to pressure such sources in ways that will inhibit this investment, for example by insisting on the adoption of burdensome practices and procedures that are not, as we all know, quite helpful in poverty reduction.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Peter Moors, Director-General for Developmental Cooperation, of Belgium.

Mr. Moors (Belgium): Let me at the outset express Belgium's alignment with the statement made by Portugal on behalf of the European Union.

My statement today will be limited to four points: progress made since the Monterrey Consensus, the need to focus on countries that are missing out on recent economic growth, the need for coordination and harmonization in the ever expanding and complex aid architecture and mobilization of domestic resources.

Let me first start with the good news. In many respects the Consensus reached at Monterrey in 2002 has been the basis for substantive progress and successes. Let me provide just a few examples: a considerable and growing number of countries have been able to use international trade as an engine for strong economic growth. The primacy of country ownership is now generally accepted; this must be the basis for a growing drive towards alignment and harmonization. The importance of good governance has become widely recognized. Overall, the debt situation has greatly improved. In the field of technical and financial cooperation, a number of new initiatives and new actors, both private and public, have joined the global effort. Most importantly, overall economic growth has been unprecedented.

This brings me to my second point. Today, the large majority of people in the so-called third world live in countries that have recently seen remarkable growth rates and substantial improvement in living standards. There is every reason to believe that, given the right international context, these countries will be able to continue with this promising trend and thus narrow the gap.

The real challenge of the coming years, however, is the dreadful condition of a number of countries that have not partaken in this fortunate evolution. Most of these countries are in Africa; many of them are in a disadvantaged situation; often they are small, landlocked or both; often they are in conflict or post-conflict situations; often their institutional governance is weak and fragile. There is a high probability that these countries will not be able to catch up without substantial support and assistance from the international community.

Therefore, I think that this group of countries should be the focus of the Monterrey review process leading to Doha. All Member States and all relevant partners should take part in the reflection on what can be done to raise these countries from the poverty trap.

With my third point, I want to go back to what I said earlier about the many new initiatives and non-traditional actors, private and public, that have joined the global effort of providing technical and financial international cooperation. We can only commend that evolution. The needs are huge, and any help is welcome, but the proliferation of actors is not without risks — the larger the number of players, the larger the need for coordination and harmonization. One of the objectives of the Monterrey review process should be to bring all actors together behind a limited number of fundamental principles. In my mind, those principles are the primacy of country ownership, alignment with national strategies, harmonization of processes and untying of aid.

Finally, I want to say a word about the first pillar of the Monterrey Consensus — the mobilization of domestic resources. For a resource mobilization strategy to be effective, it needs two things: a proper resource allocation mechanism and a functioning resource management system. We have to strengthen our efforts to increase the efficiency of public sector management and its effects on income distribution.

In that context, I would like to emphasize the issue of the proceeds of natural resources. The relationship between natural resources and conflict was the theme of a Security Council thematic debate under the Belgian presidency in June this year. It is true that, all too often, natural resources have fuelled armed

conflicts, but if well managed, the revenues of natural resources can also be a massive source of finance for development. That is a shared responsibility of Governments and international partners. We should look together into ways of increasing the quality and transparency of contracts related to natural resources. We should work for global codes of conduct and evolve from voluntary mechanisms towards a binding set of international standards.

To sum up, I want to make a triple appeal. First, let us focus on the poorest countries that desperately need our help. Secondly, let us make sure that all actors are behind the principles of Monterrey. Thirdly, let us make sure that the proceeds of natural resources are used in a way that is conducive to development.

The Acting President (*spoke in Spanish*): I give the floor to His Excellency Mr. Liu Zhenmin, chairman of the delegation of China.

Mr. Liu Zhenmin (China) (*spoke in Chinese*): The Chinese delegation associates itself with the statement made by the representative of Pakistan on behalf of the Group of 77 and China. We wish to thank the Secretary-General for his report on financing for development.

Financing for development is an issue that concerns the international community as a whole. As agreed in the Monterrey Consensus, developing and developed countries should establish a new partnership, take comprehensive measures domestically and internationally, enhance policy continuity and consistency, and mobilize capital from all channels to promote common development. The Chinese delegation hopes that this High-level Dialogue will give new impetus to the financing for development process.

Over the past two years, stakeholders have gained a deeper understanding of the policies and means concerning financing for development. Nevertheless, there still exists a huge financial gap if poverty is to be eradicated and the internationally agreed development goals, including the Millennium Development Goals (MDGs), are to be achieved. Private investment has bypassed many poor countries that are in greatest need of capital. Official development assistance (ODA) fell between 2005 and 2006. New manifestations of trade protectionism have emerged, plunging the exports of many developing countries, especially the least developed countries, into grave difficulties.

As poverty and underdevelopment are suffered mainly by developing countries, the most difficult part of financing for development is to mobilize funds on their behalf. The biggest obstacle to financing for development is the innate deficiency suffered by developing countries due to their long-term backwardness. In the light of that situation, the international community should intervene constructively, rather than rely solely on market forces. On the one hand, it needs to provide financial assistance to help developing countries resolve the pressing issue of development; on the other, it should create a favourable external environment for developing countries to build their capacity for mobilizing funds through their own efforts. The Chinese delegation believes that the following aspects should command our particular attention in the forthcoming dialogue.

First, we should encourage and support capacity-building by developing countries themselves. International institutions and donor countries should take the needs of recipient countries into account when they provide technical assistance to support developing countries in reforming economic and financial systems, enhancing the rule of law, eliminating corruption and establishing public-private partnerships. Policy space is needed in that regard to reflect the demand of developing countries to identify and implement development strategies based on their own priorities.

Secondly, we should increase ODA. We hope that the developed countries will heed the voice of the vast number of developing countries and take concrete measures to honour their commitments to increasing ODA so as to ensure that, apart from debt reduction and emergency humanitarian assistance, more financial resources flow to developing countries, and that the goal of allocating 0.7 per cent of their gross national income to ODA will be achieved.

Thirdly, we must give full play to the role of trade as the engine of development. The international community should ensure that the multilateral trading regime is open, fair, non-discriminatory and rule-based. Concrete and effective measures need to be taken to help increase the competitiveness of developing countries and give play to their comparative advantages. It is our hope that the Doha Round of negotiations will achieve its goal as a development round, effectively address the concerns of developing countries, and come to an early conclusion.

Fourthly, we have to address new problems and guard against financial risks. Recent years have witnessed the rise of greater imbalances in the global economy and increasing complexity and unpredictability in the financial markets. Countries and the international organizations concerned should make concerted efforts to better manage the flow of international capital and prevent and fend off financial risks so as to ensure a stable environment conducive to global development.

Fifthly, we should promote the reform of the international financial architecture. The reform of the international financial regime should reflect the changes in the international economic landscape by taking full account of the actual needs of developing countries and increasing their voice and representation.

The Chinese Government has adopted reform and opening-up as a fundamental national policy. We will continue to improve macroeconomic regulation, firmly push ahead with the reform of the financial system, and give full play to the potential of domestic savings and investment. At the same time, we will create an enabling environment for attracting foreign investment, improve our capacity to address financial risks, and maintain the sustained and rapid development of the economy.

As a developing country, China — apart from addressing its own difficulties in financing for development — has done what it can to provide assistance to other developing countries in such diversified forms as debt relief, trade preferences, infrastructure development, productive investment and economic exchanges. Our aim is to help them increase their capacity for sustainable development and achieve common progress. The Chinese Government will continue to strengthen consultations and share best practices in financing for development with all parties concerned so as to deepen mutually beneficial cooperation and promote common development.

The Follow-up International Conference on Financing for Development will be held in Doha next year. It will be an important opportunity for us to comprehensively review the implementation of the Monterrey Consensus and discuss ways to further strengthen cooperation. We hope that the parties concerned will conduct pragmatic discussions in the light of the current situation and push for substantive progress in international cooperation on financing for development, so as to contribute to poverty eradication and common development.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Jean-Marc Hoscheit, chairman of the delegation of Luxembourg.

Mr. Hoscheit (Luxembourg) (*spoke in French*): Let me say at the outset that Luxembourg fully aligns itself with the statement made by the representative of Portugal on behalf of the European Union.

The coming year is crucial in terms of development. It will be necessary to handle, simultaneously, and in a convergent manner, the World Trade Organization trade negotiations, the follow-up to the Monterrey Conference on Financing for Development and the implementation of the Paris Declaration on Aid Effectiveness.

The leaders meeting to be convened in 2008 in the framework of the General Assembly for a midterm review of the Millennium Development Goals will certainly be a good opportunity to take stock of where we stand and to reinvigorate our efforts. It seems essential that, in general, questions of development and development cooperation be addressed in both their quantitative and qualitative aspects. Today's debate is an opportunity to take stock of advances and progress, of obstacles and constraints, and also of new possibilities for partnership between developed and developing countries.

Since the adoption of the Monterrey Consensus, we have seen considerable progress in certain areas and in certain regions. We are pleased that the downward trend in official development assistance (ODA) was reversed in 2005, including by a strong and unprecedented commitment by the European Union and its member States which, since, have mobilized 57 per cent of worldwide ODA.

Despite this progress, however, the picture of the implementation of the Monterrey Consensus remains, unfortunately, mixed. Alongside the progress, we must also note stagnation, and even regression. However, the current international economic situation should make possible bold efforts at the national and international levels.

Acting upon the concrete recommendations found, in particular, in the report of the Secretary-General (A/62/217) should help us to implement in a balanced way the six major thematic areas of the

Monterrey Consensus. I shall focus my statement on three of them: mobilizing of financial resources for development, both domestic and international; and international trade as an engine for development.

First, regarding mobilizing domestic financial resources for development, we can see that, overall, macroeconomic policies in developing countries have improved over the past 20 years. The Monterrey Consensus states clearly that each country has primary responsibility for its own economic and social development. In this context, I should like to emphasize the importance of good governance, sound economic policies, viable development strategies, concerted efforts at mobilizing national resources and improving the efficiency of public expenditures and the creation of a stable, transparent and predictable investment climate.

Good governance also makes it possible to achieve better development outcomes. That implies a permanent and structured internal political dialogue, notably on the questions of human rights, democracy, the rule of law and the fight against corruption. In addition to this internal dialogue, there should also be a fruitful dialogue between donor and recipient partners. For our part, we stand ready, with our partners in the South, to support these actions with financial and technical support adapted to local circumstances.

Secondly, on mobilizing international resources for development, I would like first to recall that my Government has undertaken to raise the Grand Duchy's ODA to 1 per cent of gross national income (GNI) over the next few years. Our ODA reached almost 0.9 per cent in 2006 while we pursued, in parallel, our efforts to improve the effectiveness and the quality of the assistance.

Luxembourg has actively participated in defining the quantitative and qualitative standards which the European Union endorsed in the first half of 2005. Furthermore, under the Luxembourg presidency, the European Union marked out the path to meet those standards and, for the first time, the States members of the expanded European Union collectively undertook to raise ODA to 0.7 per cent of GNI by 2015. Thus, the European Union is on the right path for fulfilling its Monterrey commitments. In 2006, it devoted 0.42 per cent of GNI to development efforts.

The ODA of the countries of the Organization for Economic Cooperation and Development, overall, fell by 5.1 per cent in 2006. That development is disturbing because, if it continues, it will not be possible for us to attain the Millennium Development Goals (MDGs) by 2015.

Since 2002, other methods for mobilizing additional resources for development have been explored and developed, including what are known as innovative sources of finance. These are thoroughly praiseworthy efforts, but they cannot be a substitute for ODA, which remains central to our global partnership for development.

Thirdly, I would like to discuss international trade as an engine for development. It should be emphasized that the Monterrey Consensus and the Millennium Declaration identify international trade as a key engine for growth and development. To take up the challenge of development so that trade becomes a source of growth, resources and tax revenues, developing countries must find their place in the context of international trade and intelligently integrate their economic activities in that context. Success in the framework in the Doha Round of negotiations requires efforts by all — developing, emerging and developed countries alike.

Controlled globalization must be oriented towards an economic development that truly integrates social and environmental dimensions — in other words, towards what we call sustainable development. The participation of developing countries in world trade requires a strengthening of their institutions and capacities to adapt their regulatory frameworks, as well as the establishment of a sound fiscal base in order to stimulate economic growth. It also requires good economic governance, development of the private sector, capacities and educational systems, and a significant improvement in transport and energy infrastructures.

We are confident that these two days will make it possible for us to gather many views and to come together in a constructive spirit in order to prepare, in a fruitful manner, our important meetings in 2008.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Abdulrahman Al Mufadhi, chairman of the delegation of Saudi Arabia.

Mr. Al Mufadhi (Saudi Arabia): At the outset, let me welcome this opportunity to take stock of the status of implementation and the tasks ahead under the

Monterrey Consensus of 2002. The overall picture is, indeed, one of considerable progress in poverty eradication and sustained development. Poverty levels have declined substantially, and developing countries, as a group, are now an increasingly important source of global growth.

However, as we can all see, and agree, the overall picture can be misleading. The outcomes remain mixed, as marked progress, especially in the larger countries of Asia, has been accompanied by modest growth, stagnation or decline in other regions, particularly in Africa. Many of the least developed and fragile economies, particularly those recently or still in the midst of conflict, are actually registering an increase in poverty and inequality. Even the better-performing countries such as China and India have large-scale poverty that remains to be addressed. Helping the lagging countries eradicate poverty and achieve the Millennium Development Goals towards sustained, equitable and inclusive development is clearly our collective obligation. That puts the spotlight, once again, on the key themes in financing for development highlighted in the Monterrey Consensus.

It is worth taking time to assess where we stand now on the agreed spectrum of actions. On domestic resource mobilization, progress has been substantial in the wake of widespread macroeconomic improvements as well as ongoing structural reforms conducive to sustained public and private investment for growth. Success in promoting a business-friendly environment has been central to the rising role of private investment, domestic as well as foreign, that is evident in those developing countries that are experiencing faster poverty reduction and growth.

The key to further success is in vigorous private investment, facilitated by public sector investment as needed, to develop the requisite physical, institutional and financial infrastructure with a view to enhancing competitiveness. The importance of continued vigilance for sustained macroeconomic prudence and structural reform is further underscored by the need to attract and preserve investor confidence, especially in the current context of increased uncertainties in financial markets after an extended period of rapid growth in both portfolio and direct private investment inflows into the developing countries.

Clearly, while business-conducive domestic policies are indispensable for poverty reduction and growth, success presupposes dynamism of trade, which was rightly identified at Monterrey as a leading actionable theme. The proven efficacy of trade requires us to again highlight the current disappointing state of the negotiations for further liberalization under the Doha Round. Of course, success here would require strong proactive policies in industrial countries to dismantle trade-distorting farm subsidies and barriers to imports of developing countries' products.

Meanwhile, the increased focus on aid for trade is welcome to help fill the large gaps in the trading infrastructure, especially of the low-income countries, which have in fact witnessed a decline in their collective share of the still rapidly expanding volume of global trade. As regards the proliferation of regional and bilateral trade agreements, that is one more signal that success in the Doha Round is critical for ensuring orderly global economic integration consistent with the multilateral trading system as embodied in the World Trade Organization.

Turning to the theme of international financial and technical cooperation, it is disappointing that the share of gross national income (GNI) for official development assistance (ODA) dipped again, to reach 0.3 per cent in 2006 following a marginal rise to 0.33 per cent in 2005, after a drop to as low as 0.2 per cent in 2002. ODA thus remains well below the level needed to reach the MDGs, as agreed, by 2015 — not to mention the United Nations target of 0.7 per cent.

It should also be noted here that over the years Saudi Arabia has consistently exceeded the United Nations target for ODA by a wide margin. Given the agreed goals for poverty reduction and growth, the donor community needs to be more ambitious in setting the aid volume going forward. For efforts of the developing countries to bear fruit, it is imperative that aid levels be scaled up and made more predictable and stable as well as better aligned with the beneficiary countries' own strategies, planning horizons and absorptive capacity. Focus on increased effectiveness of aid is especially important in view of the still relatively low levels of ODA.

The Monterrey Consensus emphasis on orderly debt relief was premised on adding fiscal space for development financing. That certainly is not a one-off task, since ongoing attention is necessary for ensuring

a virtuous circle of sustained growth and the resulting expansion of policy space to help avoid debt distress. I also agree that a well-coordinated debt-management effort is needed to ensure the efficient management of debt maturity and currency profiles.

Here, I draw attention to the urgency of ensuring the additionality of financing for development. As an example, I would note here the importance of a full replenishment of the loss of repayment reflows for the International Development Association following debt cancellations under the Multilateral Debt Reduction Initiative.

On systemic issues, I welcome ongoing efforts promoting the coherence and consistency of global monetary, financial and trading systems. I remain supportive of the goal of enhanced participation for developing and transition countries in decision-making at the International Monetary Fund and the World Bank, as envisaged under the Monterrey Consensus. This, of course, is an issue awaiting consensus for constructive action. I also encourage full use of the available scope for enhanced collaboration between the Bank and the Fund in line with their respective institutional mandates and comparative advantages.

Before I conclude, I wish to add a word on the special problems facing least developed countries emerging from conflict. I share the view that success in achieving the agreed poverty-reduction and growth goals would go a long way towards reducing the risk of conflict. To that end, the international community needs to be proactive on what could be termed pre-conflict situations rather than delaying engagement until a conflict begins or ceases.

Finally, containment of geopolitical tensions and a generally supportive regional and international environment are crucial for sustained poverty reduction and robust growth.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency Mr. Gilles Noghès, chairman of the delegation of Monaco.

Mr. Noghès (Monaco) (*spoke in French*): Since the adoption of the Monterrey Consensus at the International Conference on Financing for Development, Monaco's contribution to official development assistance (ODA) has continued to grow. Specifically, since 2003 that contribution has increased by more than 25 per cent each year. The Principality Government is thus positioning itself to gradually reach the objective of 0.7 per cent of Monaco's gross national income (GNI) devoted to official development assistance by 2015.

The major areas for Monaco's cooperation — whether technical or financial — are part of the framework of the Millennium Development Goals (MDGs): combating poverty, promoting education, developing primary health care systems, combating pandemics and promoting environmental protection in the broadest sense.

Like all stakeholders in the Monterrey Consensus who have undertaken to ensure the implementation of that partnership, my Government intends to assume its responsibilities and to come to the assistance of the most disadvantaged and the most vulnerable. In addition, our cooperation policy is aimed chiefly at improving the living conditions of women and children in certain countries. This is a cross-cutting approach that we are working to implement with the active contribution of many non-governmental organizations in the Principality or present in the target countries. From that angle, the Government attaches importance to action on the ground whose development and outcomes it can measure.

In addition its voluntary contributions to the United Nations and to several organizations and institutions such as UNESCO, the World Health Organization, the Joint United Nations Programme on HIV/AIDS, UNICEF, the United Nations Development Programme and the Office of the United Nations High Commissioner for Refugees, cooperation funding is also used to benefit bilateral cooperation. The Government thus decided to allocate, beginning in 2008, a line of credit of €250,000 per year to microfinance institutions with the goal of building capacity in developing countries on the African continent.

Development financing is at the heart of our priorities at the sixty-second session. We are convinced that the positioning will be decisive in the light of the preparations for the Follow-up International Conference on Financing for Development planned for Doha in 2008, to which my delegation — I can assure the Assembly — will give its full support.

The Acting President (*spoke in Spanish*): I now give the floor to Her Excellency, Ms. Marisol Argueta de Barillas, chair of the delegation of El Salvador.

Ms. Argueta (El Salvador) (*spoke in Spanish*): El Salvador confirms its commitment under the Monterrey Consensus, and in this context we endorse the position presented by representative of Chile speaking on behalf of the Rio Group, and that of Pakistan speaking on behalf of the Group of 77 and China.

Without doubt the main responsibility for their own economic and social development lies with the countries themselves. We therefore acknowledge the importance of continuing the mobilization of domestic resources in the implementation of development plans, emphasizing growth and the attainment of the Millennium Development Goals (MDGs) and increasing investment in programmes for education and in the better use of science and technology for meaningful progress along the path towards development.

We attach equal importance to adequate distribution of domestic resources and implementation of appropriate fiscal policies in order to achieve better social cohesion, as well as the strengthening of democratic institutions, the consolidation of the rule of law and the adoption of transparency patterns in public administration in order to build solid bases for truly sustainable development.

We must consider that many countries continue to be vulnerable to external conditions, such as the trends toward slowing down of larger developed economies and the volatility of financial and commodity markets at the international level. My delegation believes that it is essential to conclude the Doha Round with fair and equitable results and with the application of aid for trade and foreign direct investment initiatives, recognizing the contribution of the private sector in the development process.

Many countries are faced with new opportunities and new challenges resulting from globalization, which has provoked as one of its effects the intensification of international emigration, which is accompanied by the mobilization of a significant flow of resources through family remittances. In many countries, remittances have replaced the main traditional sources of income. While those resources are unquestionably private, all possible efforts have to be undertaken to reduce the cost of those transfers and to encourage a productive use of the resources so that they contribute to the national goals for development and social well-being.

We also believe that to accelerate progress and the research of its impact, national initiatives for development should fit within an international framework of solidarity that would facilitate the achievement of globally shared objectives. For this, we would like to stress the role of official development assistance (ODA) and, in particular, the situation facing middle-income countries within the system of international cooperation, which have experienced, in recent years, a marked decrease in international development cooperation.

Together, middle-income countries number 92, with per capita income ranging between approximately $840 and $9,400. Within this group, 47 per cent of the world's population is concentrated, with more than 41 per cent living under the poverty-line income of $2 a day. Many of these countries are highly unstable in terms of economic growth and face a high degree of environmental and geographic vulnerability, with a high recurrence of natural disasters that makes it more and more difficult to achieve continuous, stable progress.

Moreover, this group of developing countries is very heterogeneous, so continuous allocation of international resources should be an adequate reflection of this diversity without affecting cooperation that reasonably is assigned as a priority to least developed countries. We call upon the international community and the United Nations system to implement new and innovative mechanisms to provide middle-income countries more clearly focused cooperation in accordance with needs and demands as a complement to their national efforts in combating poverty, in the achievement of the Millennium Development Goals and in the consolidation of their progress in economic and social development, and in peacebuilding in countries that have suffered from conflict.

We would also like to stress the more active role that South-South cooperation should play, as a complement to North-South cooperation, in order to establish closer links for cooperation both among middle-income countries and between those countries and low-income countries. That can also be done through triangular cooperation when the financial participation of a developed country is involved.

On debt relief, my delegation would like to stress not only the strengthening of regional financial

arrangements for this purpose but also the application of the proposals analysed in the Paris Club for debt cancellation, in exchange for social spending on projects linked to attaining the MDGs and on projects for the protection of the environment.

We would especially like to stress the initiative of the Government of Spain in organizing the first Intergovernmental Conference on Middle-Income Countries. Following that conference, El Salvador was host, a few weeks ago, to the Second International Conference on the same subject. We had an extensive attendance of more than 67 delegations, and the El Salvador Consensus was adopted unanimously. This document covered the main aspects related to international cooperation with middle-income countries, with the basic objective of raising awareness in the international community as to the importance of giving support to such countries in their endeavours to advance further in their development. The consensus also contains a commitment to place this topic on the agenda of international organizations and financial institutions.

To that end, we have called upon the Secretary-General to circulate the El Salvador Consensus as an official document. We are grateful to the reference to the Conference in the Secretary-General's report (A/62/217).

Similarly, we believe that the preparatory process for the Doha Round of 2008 is suitable for establishing a mandate to the Secretary-General so that he can support what is relevant in the development of the topic of development cooperation with middle-income countries so that this topic can be strengthened on the Doha agenda. We would also be grateful if it could be reflected in the President's summary of this High-level Dialogue.

Before concluding, I would like to recall that, first and foremost, development efforts must have human meaning. Therefore, we cannot forget that women represent over 51 per cent of the world population; we have to strengthen our commitment to gender mainstreaming in the treatment of this question across the board.

Finally, we would like to place our confidence in and offer our support to the two facilitators of this process. We would also like to stress the imminent need to establish an ad hoc follow-up mechanism to assure a more systematic and permanent focus on the important question of financing for development, in which, as developed countries and developing countries alike, we must assume the co-responsibility that is ours.

The Acting President (*spoke in Spanish*): I now give the floor to His Excellency, Mr. Jorge Voto-Bernales, chairman of the delegation of Peru.

Mr. Voto-Bernales (Peru) (*spoke in Spanish*): My delegation would like to endorse what was said by the Minister of Economic Affairs of Pakistan, speaking on behalf of the Group of 77 and China, as well as the statement made by the representative of Chile speaking on behalf of the Rio Group.

My country would like to reaffirm that the challenge is to revitalize multilateral cooperation, so as to allow developing countries to benefit from available financial resources and establish partnerships with the private sector, bilateral sources and non-governmental organizations.

We acknowledge that national resources will remain the main source of financing of sustainable development, in consonance with the principle established in Monterrey that each country has the primary responsibility for its own development. At the same time, we believe that public and private resources at the international level remain crucial.

Thus, we must stress the need to establish an adequate balance between the market and public interest, through joint initiatives, the public and private sectors that allow the combining of market innovations, social responsibility and adequate regulation.

It is important to concentrate on the application of an effective operational strategy, so as to seek greater official development assistance (ODA) over and above the contributions offered in Monterrey for sustainable development and environmental protection and for investments in education, innovation, science and technology. For this purpose, we should, first, emphasize new instruments being conceived to reactivate the exchange of debt for investment in education, technology and innovation, to turn these into viable instruments to foster development, in particular in the case of middle-income countries; secondly, support communities and local and national Governments to facilitate access and equal conditions to the innovative mechanisms for funding; and thirdly,

identify the form for foreign investment needed to provide a greater contribution to sustainable development and technology transfer.

We should also stress the need to seek a point of convergence for United Nations efforts with the Bretton Woods institutions, the World Trade Organization, the private sector and civil society. Equally, we should strengthen the spirit of association between industrialized countries and developing countries in seeking broad consensus to revitalize the North-South dialogue and set a road map for the global areas of the Monterrey Consensus, in particular, first, domestic policy, strengthening the domestic financial system, having it become more inclusive, financing of small and medium-sized undertakings, actions for generating greater equity; secondly, mobilization of international flows, a greater benefit from foreign direct investment through association with local capital, private investments focusing on infrastructure and financial movement between South-South countries; thirdly, international trade, where there is an urgent need for finalization of the Doha Round, in terms consistent with the promotion of development, as well as the immediate implementation of the results. As to official development assistance, there should be lesser conditionality, as well as transaction costs.

We need to debate the inclusion of middle-income countries on the agenda of international cooperation. I feel this should be clear; this should not be taken as competition in a fight to obtain funds with countries that are poorer than our own. We would like to back Mexico's position here, that remittances should be considered as strictly private flows for nuclear family units, essentially for their own use, not to be seen as a boost to long-term development.

Finally, I would like to underscore two elements that are of importance in our view. First, for Peru, trade is the main source of economic dynamism, fostering investments with greater employment, consumption and tax revenue. It thus creates new resources for development funding. For that reason, our country has included trade as a fundamental part of our strategy to fight poverty. We have also thus initiated an extensive strategy for the negotiation of free trade treaties on a bilateral basis.

In addition, we would like to stress the urgency of reactivation of the Doha Round to achieve open trade, based on non-discriminatory, equitable rules. It is important to improve and have more predictable access to all markets for all products and services of developing countries. Technical assistance, as "Aid for Trade", to strengthen exportable goods, often limited in developing countries, is a fundamental variable that should be taken into account and that should be seen as comprehensive, looking not only at production capacities, but also at improvement of infrastructure as trade support and at programmes for social protection and adjustment.

The Acting President (*spoke in Spanish*): I now give the floor to Ambassador Rodrigo Malmierca Díaz, chairman of the delegation of Cuba.

Mr. Malmierca Díaz (Cuba) (*spoke in Spanish*): The delegation of Cuba would like to align itself with the statement made by the representative of Pakistan, on behalf of the Group of 77 and China. We would also like to make some comments on this issue, which we deem highly relevant and important for the developing countries.

At a time when we are getting ready for the upcoming International Conference on Financing for Development, to be held next year in Doha, Qatar, this dialogue becomes ever more significant, for it gives us the opportunity to identify the main challenges and obstacles related to financing for development and to promote concrete measures that will allow us to meet the commitments and goals set out in Monterrey and in other multilateral venues related to development, poverty reduction, international cooperation and the establishment of an equitable, just and inclusive international economic, commercial and financing system.

In this regard, we must seize this opportunity to correctly evaluate the discussion and the way to address the macroeconomic problems related to development, allowing us to truly tackle the dire economic and social situation that the developing world continues to suffer today.

Five years after the adoption of the Monterrey Consensus, our delegation continues to be very discouraged at how long-lasting solutions to the issues addressed by the Consensus, such as official development assistance (ODA), external debt, foreign direct investment (FDI) and international trade, continue to be but a pipe-dream. Financing for development continues to be the ultimate outstanding item of the international agenda. It is evident that the

spirit of Monterrey has not been enough to provide the developing countries with the resources they so badly need to realize their right to development.

The Monterrey Consensus acknowledged the need to increase stable and predictable financial flows towards developing countries, as the key condition to achieve their economic growth. However, despite all the promises made, the amount of official development assistance last year only accounted for 0.3 per cent of the developed countries' gross domestic product (GDP), which meant a decrease of 5.1 per cent in real terms compared to 2005.

Nevertheless, annual military expenditures are more than one trillion dollars. With only 10 per cent of the resources invested in military expenditures, the Millennium Development Goals could be reached. An estimated $150 billion a year are necessary to reach those Goals.

The figures prove that developing countries continue to be net issuers of financial resources to the rich and industrialized world. Since the year 2000, the net transfer of resources from the poor countries to the developed world has more than tripled. Last year alone, it reached a record $650 billion. The question of who finances whom is even more relevant today.

Therefore, Cuba considers it important to establish a mechanism for the supervision of and follow-up on the commitments made in matters of official development assistance. This would allow us to know the progress made in this regard and would be an important step forward in the transparency and accountability we need when assessing the state of implementation of our goals in matters of financing for development.

Similarly, we believe that it is important to seek and implement innovative sources of financing for development. Yet, we want to stress that such alternative sources of financing should by no means replace the commitments made at the international level with regard to the official development assistance and other related issues, as shown in the outcome of the Monterrey Conference and the document adopted by the rest of the major United Nations Conferences and Summits.

In the framework of exploration of that kind of initiative, we would like to reiterate our interest in continuing to advance towards the implementation of proposals such as the issuing of special drawing rights, a tax on financial speculation and a carbon emissions tax, for we believe these would provide specific benefits for developing countries.

While there are some indicators that prove a certain increase of foreign direct investment, direct investment flows were only concentrated on a limited group of developing countries in specific areas. The more indebted poor countries continued to receive the smallest amounts.

Foreign trade has been recognized as the driving force behind economic growth and development, yet so far those potential benefits have not become a reality for many developing countries. They continue to have a very small share of international trade, which increases their marginalization in this area.

The true realization of the development dimension in international trade matters cannot be attained only through trade liberalization. Trade can only encourage development if it is carried out bearing in mind that the different countries should receive special and differentiated treatment on the basis of their development level.

The external debt of the developing countries continues to grow, and the vicious circle, in which the more you pay the more you owe, continues to characterize the tough reality of our countries, proving that shy initiatives and relief measures are not enough to solve the problem of external debt.

It is time for a deep, conscientious reflection by the entire international community about the current situation of the developing countries as a consequence of the unjust and unequal world economic order, which has proved untenable.

Official development assistance should be offered without conditions, which distort the essentially concessionary character of the assistance and subordinate the development needs and priorities of the recipient countries to the donors' interests.

The objectives and goals have been defined; however, in order to achieve them, it is vital that the developed countries show the necessary political will and honour their commitments, so they do not become dead letters, which remain ultimately the main challenge.

Programme of work

The President in the Chair.

The President: I should like to inform members that the consideration of agenda item 50 — "The role of the United Nations in promoting a new global human order" — originally scheduled for Tuesday, 30 October 2007, in the afternoon as the fifth item, has been postponed to Thursday morning, 15 November, as the fourth item. In addition, the Assembly will consider agenda item 167 — "Peace, security and reunification on the Korean peninsula" — on the afternoon of Wednesday, 31 October 2007.

The meeting rose at 1.05 p.m.